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**FISCAL IMPACT STATEMENT**

**LS 6710**

**BILL NUMBER:** SB 366

**NOTE PREPARED:** May 5, 2011

**BILL AMENDED:** April 29, 2011

**SUBJECT:** State Department of Health Matters.

**FIRST AUTHOR:** Sen. Miller

**FIRST SPONSOR:** Rep. T. Brown

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** *Transfer of Programs from the Lieutenant Governor to ISDH:* This bill transfers responsibilities from administering specified federal food and nutrition program funds from the Office of the Lieutenant Governor to the Indiana State Department of Health (ISDH).

*Elimination of Certain Department of Correction Inspections:* The bill requires the ISDH to annually inspect certain Department of Correction facilities only if the facility is not accredited by a national accrediting organization.

*Consolidation of Advisory Councils:* The bill creates the Health Care Facility Advisory Council within the ISDH. It repeals provisions establishing the Hospital Council, the Home Health Care Services and Hospice Services Council, and the Indiana Health Facilities Council.

*Hospital Reporting Requirement:* The bill requires, beginning October 1, 2013, hospitals to record and report external cause-of-injury code for each individual who receives care in the emergency department of the hospital.

*Certified Nurse Aide (CNA) Requirements:* The bill requires certain certified nurse aides to be certified by the ISDH and requires the ISDH to: (1) establish a program; (2) prescribe education and training programs; (3) determine specified standards; and (4) establish annual certification fees; for certified nurse aides who work in health facilities. It requires the ISDH to maintain a registry for certified nurse aides and registered home health aides.

*Children with Special Health Care Needs Program:* The bill removes the requirements that a candidate must

meet to be appointed director of the program for Children with Special Health Care Needs.

*Electronic Death Certificate Provisions:* The bill authorizes a physician last in attendance of a deceased to initiate the document process for the death record and defines physician to include individuals with specified physician permits. It specifies that certain licensed professionals are subject to discipline under the person's license instead of committing a Class B misdemeanor for violating the statutes concerning vital statistics and specifies that the ISDH may not start sanctioning providers for certain violations until January 1, 2012.

*Heirloom Birth Certificates:* The bill repeals the requirement that the ISDH design, promote, and sell heirloom birth certificates.

*Health Finance Commission Study Topic:* The bill requires the Health Finance Commission to study whether hospitals should be required to report hospital employee influenza immunization rates to the ISDH.

**Effective Date:** Upon passage; December 31, 2010 (retroactive); July 1, 2011.

**Explanation of State Expenditures:** *Net State Summary:* The various provisions of the bill codify existing practices, allow for small reductions in expenditures, allow for more discretionary actions by the State Health Commissioner, add a hospital reporting requirement, and require the Health Finance Commission to study a hospital employee immunization reporting requirement.

**Additional Details:**

*Health Finance Commission Study Topic:* The bill assigns the topic of hospital employee immunization reporting to the Health Finance Commission that meets annually during the legislative interim. There would be additional expenditures only if the consideration of an additional topic would require an additional meeting of the Commission.

*Transfer of Programs from the Lieutenant Governor to ISDH:* This bill transfers food assistance programs under the (1) Community Services Block Grant, (2) Commodity Supplemental Food Program, and (3) Temporary Emergency Food Assistance Program (TEFAP) from the Office of the Lieutenant Governor to the ISDH. The bill also includes the objectives of these grant programs within the powers of the ISDH to permit the ISDH to administer the programs.

The statutory transfer of various functions and responsibilities of the Lieutenant Governor to the ISDH will not necessarily represent a fiscal impact to the state. The ISDH reports that these programs have been operated by the ISDH under a memorandum of understanding (MOU) for the last three years. The bill codifies current practice and eliminates the need for the MOU.

With the exception of the Temporary Emergency Food Assistance Program, the programs being transferred to the ISDH are funded completely by the federal government. The TEFAP receives minimal state funding (\$131,261 annually appropriated for FY 2010 and FY 2011). In addition, all programs are administered through entities which have either contracted with or received grant money through the state for provision of services.

*Elimination of Certain Department of Correction Inspections:* The elimination of routine ISDH inspections of correctional facilities should result in savings or allow the reassignment of existing resources to other

priorities. [ISDH has not yet identified a fiscal impact for this provision. This information will be updated when it is available.]

*Consolidation of Advisory Councils:* The bill eliminates three function-specific advisory councils, consolidating the function into the 20-member Health Care Facility Advisory Council that is required to meet at least three times annually. Currently, the three advisory councils are required to pay salary per diem plus travel expenses of the members and are constituted as follows: (1) The Hospital Council is required to meet a minimum of two times each year and is comprised of 9 members, 2 of whom are state employees; (2) the Home Health Care Services and Hospice Services Council is required to meet four times annually and is comprised of 16 members, 2 of whom are state employees; and (3) the Indiana Health Facilities Council is required to meet at least six times per year and is comprised of 14 members, 3 of whom are state employees. If all members attended the minimum number of meetings required each year, the savings attributable to the salary per diem due to the reduction of meetings and membership would be \$4,100. Savings due to a reduction in travel expenses reimbursed would depend on actual attendance at meetings and the home stations of the appointed members. Consolidation of the three councils may speed the ISDH rule promulgation process. ISDH reported that consolidation of the advisory councils is expected to save \$10,000 to \$15,000 annually.

*Hospital Reporting Requirement:* The bill requires an additional hospital data element - all diagnosed external causes of injury codes - to the patient discharge data required to be reported to the ISDH. This provision may cause a minor increase in data collection and storage costs. [ISDH has not yet identified a fiscal impact for this provision. This information will be updated when it is available.] The bill also specifies the time frame in which hospitals must file the required annual report on the community benefits plan with the ISDH.

*Certified Nurse Aide Requirements:* The ISDH reports that bill language associated with certification and training of CNAs along with the maintenance of a registry for CNAs and registered home health aides is required by federal law. The provisions have no fiscal impact since the bill codifies current practice.

*Children with Special Health Care Needs Program:* Current statute requires the Director of the Children with Special Health Care Needs Program be a physician or a person with a graduate degree. The bill would leave the qualifications of the program director to the discretion of the State Health Commissioner. The fiscal impact of this revision would depend on actions taken by the ISDH Commissioner.

*Electronic Death Certificate Provisions:* The bill would reduce the number of individuals subject to the Class B misdemeanor penalty for recklessly violating or failing to comply with the requirements for electronically recording births or deaths by specifying that persons holding professional licenses would be subject to licensing sanctions instead. The bill specifies that ISDH may not begin sanctioning until January 1, 2012. The bill would decrease the amount of court fees and fines associated with a Class B misdemeanor, while licensure sanction actions may increase in the Indiana Professional Licensing Agency. Any fiscal impact is likely to be small.

**Explanation of State Revenues:** *Heirloom Birth Certificates:* The bill repeals provisions concerning the issuance of heirloom birth certificates. Current statute requires a \$30 charge for an heirloom birth certificate; \$7 of the fee is to be retained to offset the expenses of the program, and \$23 is transferred to the Infant Mortality account within the Indiana Kids First Trust Fund. The repeal of this provision would have little or no impact on revenue since it appears few persons are aware of the program. The revenue history of this program is shown below.

<b>Fiscal Year</b>	<b>Revenue</b>		<b>Fiscal Year</b>	<b>Revenue</b>
2010	\$0		2003	\$37
2009	\$15		2002	\$702
2008	\$0		2001	\$364
2007	\$5		2000	\$1,008
2006	\$0		1999	\$896
2005	\$140		1998	\$1,600
2004	\$280			

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** ISDH; Department of Correction; IPLA.

**Local Agencies Affected:** Local health departments.

**Information Sources:** ISDH and OFMA.

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